

CHINA AFRICA IN AGRICULTURE
A background paper on Trade, investment and aid in agriculture
 Jean-Raphael Chaponniere, Jean Jacques Gabas, Zheng Qi¹

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This paper investigates China Africa exchanges in agriculture which is a small component of the China Africa trade. A second part looks at Chinese aid to agriculture and a third one analyzes Chinese investment in African agriculture with special emphasis on investment in land.

I CHINA AFRICA TRADE IN AGRICULTURE

After a brief introduction to Chinese and African agriculture, this part analyzes Chinese and African trade and discusses two issues: is there a complementarity between Chinese demand and Africa supply ? What could be the consequence of the transformation of Chinese consumption on Chinese agricultural imports;

A brief introduction to Chinese and African agricultures

Even if China is the third largest country after Russia and Canada , its arable land is only 122 millions of ha (Table 1). Thus, China’s agriculture feeds 20 per cent of world population with 8% of world arable lands (Brautingam, 2009).

Table 1

2008		Sub Saharan Africa	China
Forests	Millions ha	627	205
Grassland	Millions ha	911	400
Arable land	Millions ha	219	115
Irrigated	%		58%
Peasants	Millions	195	314
Population	Millions	764	1320

Source FAO, CBS

The 1978 reforms shifted the responsibility for farming to households without giving them the ownership of the land: they number 200 million with an average land area of only 0.6 ha. Prior investments in rural infrastructure and a high level of literacy explain the success of the reforms (Ravaillon 2008)². Price and market liberalization started in the 1990s when food became plentiful. However, as stressed by Aubert (2007), while Chinese agriculture is highly productive when one measures its yields per hectare, Chinese peasants are poor as their agricultural labour productivity is one sixth of non agricultural labor productivity. This contributes to the urban-rural divide. Fighting against inequality has been the objective of the government since 2003.

Agriculture was able to satisfy the rising food demand. Per capita food availability and nutrition improved for a vast majority of the population. In 2005, per capita food availability

¹ J.R. Chaponnière is senior economist at the Asian Department of Agence Française de Développement (AFD), Jean Jacques Gabas is researcher at CIRAD, Zheng Qi is consultant at the Department of Agriculture (AFD).

² Fan et al. (2004), quoted by Ravaillon, find that 60% of the agricultural growth over 1978-84 was attributable to “institutional reforms” but that this fell to virtually zero from 1985-2000,

reached 3,040 kcal per day, a level that is 14 percent higher than the average of developing countries and 8 percent higher than the world average.

African agriculture area is suited, in parts at least, for the production of a broad range of agricultural commodities. Only 16% is used for arable crops (Table 1) and a minute 1% is under irrigation. One should avoid sweeping statement on African agriculture as there are 53 countries. Nevertheless, among the common constraints which impede its development, there has been a lack of political commitment and the perception that smallholder agriculture is unable to contribute to economic transformation. In sharp contrast to China, international donors have been influential actors in agricultural policy as ODA financed a large share of investment in this sector

While Chinese agriculture is a commercial activity, it is not the case in Africa and it is estimated that around 25% of cereals (sorgho, mil) production go to the market. Based on a survey of several African countries a World Bank research (2009) concluded that African producers are generally competitive on domestic markets and competitive in global market. Their competitiveness at the farm level derives largely from very low returns to labour (reflecting the absence of alternative employment opportunities in rural areas) and limited use of purchased inputs. Furthermore, high logistics costs raise the prices of imported commodities and provide a certain degree of “natural protection”. These high logistics cost represent an obstacle for exports as they must be absorbed by African exporters in order to be competitive on world markets.

Chinese and African agriculture in the world market

In the 1980s agriculture accounted for one quarter of Chinese exports and its share is now 3% (2008) and 5% in the case of imports. One of the striking features of Chinese agriculture is its small trade openness as imports account for only 6% of apparent consumption (defined as production plus imports minus exports) and 5% of production is exported.

Chinese entry to WTO led to a spectacular increase of soja, oilseeds, cotton, wool imports but China remained a net exporter of cereals³. While Chinese agricultural imports are highly concentrated, its exports are diversified. China main trading partners for agro products are Asia and ALENA for exports, Asia and South America for imports; Africa plays a very minor role as exporter or importer.

Table 2: Largest African agricultural exports and Chinese imports in 2007

	US\$ millions	African Exports		China Imports	
		24365		48210	
Cocoa beans	3122	13%	Soybeans	12352	26%
Cotton lint	1379	6%	Palm oil	3784	8%
Coffee, green	1346	6%	Cotton lint	3747	8%
Tobacco, unmanufactured	1214	5%	Rubber Nat Dry	3099	6%
Crude Materials	1203	5%	Soybean oil	2177	5%
Sugar Raw Centrifugal	954	4%	Wool, greasy	1671	3%
Tea	927	4%	Hides Wet Salted Cattle	1541	3%
Wine	695	3%	Chicken meat	1041	2%
Rubber Nat Dry	659	3%	Crude Materials	1009	2%
Oranges	640	3%	Maize	929	2%

Source : from FAO

³ Imports are subjected to an automatic licence system, and average tariff are 12% for agri-products at a first stage of transformation, 24% for semi finished and 16% for entirely transformed (source WTO)

According to Cepii data base (Chelem), Africa's share of agricultural world trade is close to China's (6%). However this average is not significant for countries such as Malawi (85%), Burkina (83%), Uganda (62%), Ethiopia (61%), Mali (56%), Kenya (46%), Rwanda (44%), Ghana (42%), Senegal (37%), Tanzania (35%), Madagascar (31%), Togo (29%) Swaziland (21%), Niger (14%)⁴ African imports doubled between 2000 and 2007. Exports are concentrated in a few products and have increased at a slow pace.

A cursory look at FAO trade statistics (Table 2) reveals a limited overlap between African exports and Chinese imports as two items appear in the top ten Chinese imports⁵.

Box 1 : Agro trade complementarity

To go beyond this first assessment two indicators currently used to measure export similarities⁶ have been adopted to measure the complementarity between African exports (imports) and Chinese imports (exports). They have been computed for 2000 and 2007 on the basis of FAO trade data (480 items).

Table 3 : Export – Import similarity index (2000 and 2007)

	African exports and Chinese imports		African imports and Chinese exports	
	2000	2007	2000	2007
Finger index	0.3	0.3	0.02	0.4
Linneman index	0.18	0.19	0.09	0.33
Computed from FAO statistics (480 products,)				

Table 3 shows that the structure of African agricultural exports is quite dissimilar to that of Chinese imports and both indicators conclude that the degree of dissimilarity has been constant between 2000 and 2007. These indicators show that Chinese agricultural exports structure has become more similar to the structure of African agricultural imports from the world.

China Africa trade in agriculture.

Agriculture is a small component of China Africa trade which increased ten fold between 2000 and 2008. After a rapid increase between 2000 and 2004, Chinese agro products imports from Africa stagnated while Chinese exports have kept increasing together with Chinese trade surplus with Africa.

Conducted at a 4 digit level, the analysis of China Africa trade reveals a strong asymmetry. Chinese imports from Africa (Figure 1) is concentrated and the share of the largest 5 products has not changed from 2000 to 2008. The diminishing value of cotton exports explains the stagnation of African exports to China. During the last two years, cocoa and oil seeds imports gained in importance. While African exports dominate the Chinese market for cocoa (66% of imports), their share diminished in the case of cotton (see infra).

Rice and tea are traditional Chinese agricultural exports to Africa (Figure 2) which have diversified from 2000 to 2008 as new products appeared (tomatoes, vegetables etc). While African market accounts for a very small part of Chinese exports, it is nevertheless significant

⁴ Datas from World Development Indicators

⁵ A similar analysis restricted to Eastern and Southern African countries, led IFPRI to conclude that the direct demand effects of China on Sub Saharan exports are negligible (N Villoria and alii, 2009).

⁶ Finger Kreinin similarity index and Linneman indicator

for rice (West Africa) and tea (North Africa and West Africa) and Africa absorbs respectively 40% and 46% of Chinese exports in 2008.

African agricultural exports have not benefited of the fast increase of China imports as its export structure is different from Chinese import structure. On the other hand, Chinese food exports which are competitive on world market (Rozelle, 2007) are making inroad on the African market.

Box 2 : China Africa wood and wood products exchanges

China is the world largest exporter of wood products and its industry rely extensively on wood imports from Russia, South East Asia and Africa. African wood is increasingly exported to China by Gabon, Cameroun, Equatorial Guinea, Congo and Mozambique. While many African countries export (sawn logs) to UE, they exports “wood in the rough” (HS 4403) to China. A significant part of these exports are illegal and the EU “Forest Law enforcement on governance and trade “has not yet included Chinese wood products imports from China. While the share of Africa in Chinese wood imports has slightly diminished since 2000 to 20%, Chinese wood products exports to Africa increased rapidly

Figure 1 : Chinese agricultural imports (Total and main products)

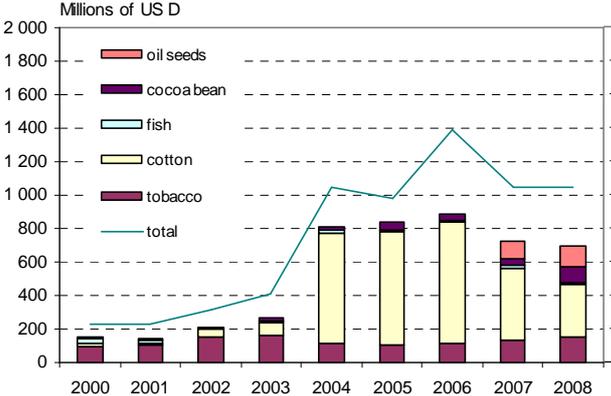
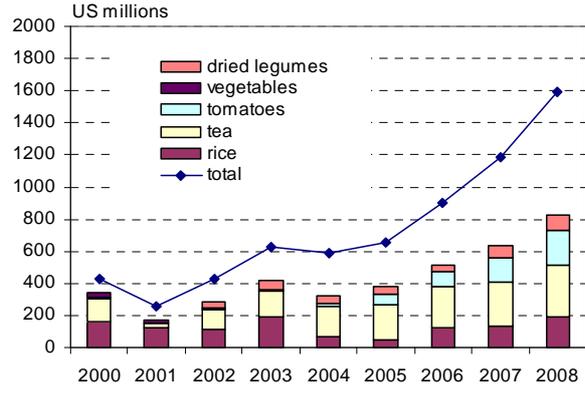


Figure 2 : Chinese agricultural exports to Africa (Total and main products)



Source : computed from Comtrade

Perspective

Chinese agriculture is facing severe constraints (land, water, manpower) while urbanization, demography will modify the behaviour of the consumer. According to the United Nations scenariis (low, medium and high), Chinese population could increase between 75 and 230 millions from 2010 to 2030. Urbanization could increase very rapidly as measures that regulate rural exodus may be lifted. Population pressure, urbanisation and income increase will modify Chinese demand. The most noticeable change of the last ten years has been the shift in consumption from cereals to meat, fruits, vegetables and milk products. According to Chinese projections (2030), per capita consumption of cereals will diminish by 10% and there will be a substantial increase in dairy products and vegetables consumption and, surprisingly no increase in meat consumption. Alternative world scenariis (Agrimonde 2008) foresee a radical shift in meat consumption and a rapid increase in meat consumption with the increase in income. These alternative scenarii lead to different conclusions for Chine imports (see Box 3).

Population and urbanization could reduce arable land availability⁷ to 120 millions of hectares. According to IIASA and FAO, land availability is less a concern than water availability, even if there are possibilities to achieve a better utilization of this resource. Moreover since the mid 1980s, the Chinese government has engaged researches in bio technologies in order to maintain the food security and China ranks nowadays among the world leader in this field. According to IIASA and FAO, China land and water resources are sufficient to face the needs of a population of 1,48 billion as it could produce a sufficient amount of cereals to satisfy the demand in all scenarios, while keeping a quarter of the arable area for fruits and vegetables. Nevertheless, economically wise, China may choose to import a percentage of its cereals needs. Thus according to Zhao (2008) China's food self-sufficiency ratio could be about 95% in 2030 and this will leave an annual gap of 30-35 Mt "Even with increased agricultural science and technology input and policy input, it is still a severe challenge to ensure the current production level of 500 million tons; Guangdong, Zhejiang provinces have become the major rice import provinces".

Table 4 :Prediction of food consumption per capita in kilogram

	corn	Soja	Edible fat	vegetable	fruit	meat	dairy	egg	Aquatic products
2010	152	13	10	149	40	29	18	15	17
2020	147	15	10	157	48	28	28	17	19
2030	146	20	10	162	53	28	41	17	19

Source : Goals for the development of Food (2010-2030) quoted in Jingzhu Zhao (2007).

Box 3 : alternative scenarios

Agrimonde (2009) has elaborated two long term (2050) world scenarios. Concerning Asia, it foresees a more pronounced shift towards meat which will increase the demand for cereals and oil seeds while arable area will diminish. Thus according to Agrimonde, China may become an important importer of cereals and oilseeds. In Africa, arable land potential is huge, five times the arable land of 200 millions ha but if one takes into account yield evolution and population increase, Africa could stay a food importer. Asia and Africa will rely on exports from Latin America, CEI and OECD to meet its food import demand.

Conclusions

In 1995 Lester Brown published a book "Who Will Feed China? A Wake-Up Call for a Small Planet" where he concluded that China would turn to international grain markets to meet the demand of its increasingly affluent population. Since the publication of this book, not only Chinese agriculture was able to meet the basic food needs but it stayed a net cereal exporter and stepped up its food exports.

As both production and consumption of cereals will diminish, China may stay a net cereal exporter (however it could become a corn importer even if yields increase may limit importations). In the case of soja, imports represent $\frac{3}{4}$ of domestic demand⁸. As most projections assume that these imports will increase, Bryan Lohmar, (2009) suggests that the introduction of OGM could reduce imports. China will stay a large importer of vegetable oil and sugar. Chinese production of fruits and vegetables will increase as the demand for these

⁷ Feng Zhiming CAS in Renkou Yanjiu 2007 – n° 3, pp. 15-29

⁸ Local soja is used for the production of tofu China imports from Latin America and the USA and may import from South Africa.

products will be strong. Nevertheless according to Rozelle (2007), this sector competitiveness may be limited by the availability and cost of water, land, and labor and in the long-run, China may not remain competitive in the production many agricultural commodities. “Until that time, however, there will be a race between China’s ability to supply what consumers want and the increasing pace of domestic demand. If the supply side wins, China’s producers will enjoy the fruits of both supplying the large domestic market and exporting. If the demand side pulls ahead, there will be opportunities for international horticultural producers to sell to China’s market”.

Thus, even if the jury is still out to assess if China will be able or not to feed China, Chinese most dynamic imports may not be those products that are exported by Africa. While this conclusion does not open opportunities for Africa, the trend in Chinese exports to Africa suggest that there are import substituting opportunities in Africa for agricultural products.

China is the world largest producer and importer of cotton. Africa is a modest producer which exports a large part of its production as it has not been able to develop a competitive textile industry. According to ICAC, Chinese cotton imports increased rapidly between 2003 and 2006 and have diminished both in value and in volume. During the same period African cotton exports decreased from 1 million tons to 0,5 million de tons. According to Comtrade China is the largest market for African cotton and these imports are transformed into yarn and fabrics. A significant part of Chinese exports of both yarn and fabrics go to Africa where they are used by the garment industry and by the informal sector. Thus while the share of African cotton diminished from 25% in 2005 to 9% in 2008 in China imports, the share of African market in Chinese exports of cotton yarn and cotton fabrics rose to 26% in 2008 (Figure 4).

Figure 3: Chinese imports of African cotton and Chinese exports of yarn and fabrics to Africa

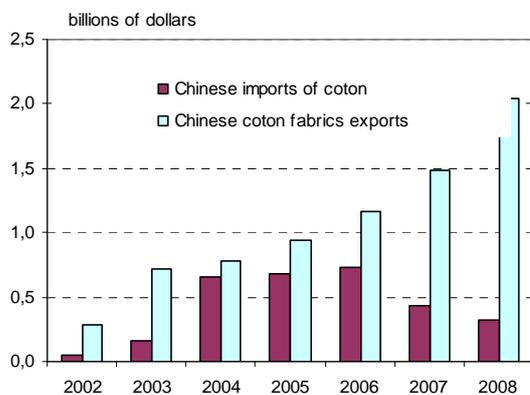
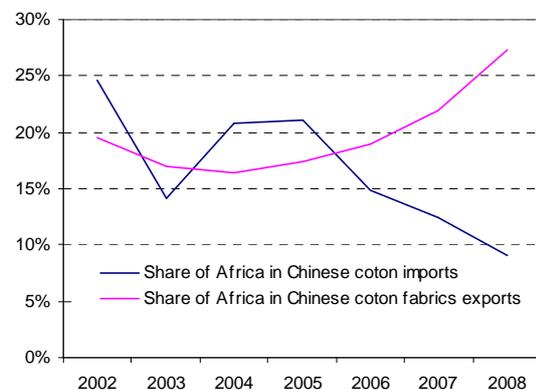


Figure 4 : Africa share of Chinese cotton imports and of Chinese exports of cotton yarn and fabrics



Sources : from Comtrade (fabrics made of cotton +85%)

If one takes a comprehensive view of textile trade between China and Africa (Figure 3), from cotton production to weaving, African deficit has considerably increased as in 2008, Africa exported 180 000 tons of cotton to China (300 millions de dollars) and imported 118 000 tons of cotton yarn and fabrics (2 billions of dollars). This deficit would be more important if one took into consideration Chinese exports of garments (made in cotton). The rapid increase of Chinese exports of textile products to Africa leads to conclude that there exists a potential of imports substituting activities by Chinese in Africa

II CHINA'S AID TO AFRICA IN AGRICULTURE : CONTINUITY AND EVOLUTION

China started agricultural assistance to Africa by offering free food aid, a kind of development assistance, to the Government of Guinea in 1959. Since then, Sino-Africa agricultural cooperation has gone through three stages during nearly a half of century, featuring with continuity and evolution, shifting from “provided as required and project as carrier” to “institutional and sustainable norm” (COHD and CLAD, 2010).

In 1960s and 1970s, China helped build a large number of farms in Africa, such as Tanzania's Mbarali farm and Tuvu farm, Somalia's Fano Farm, Uganda's Chipemba farm, Guinea's Koba sugar cane farm, Mali's two sugar cane farm, Mauritania's Beam Mpoli rice farm, Sierra Leone's sugar cane farm, Niger's 4 reclamation areas, Togo's sugar cane plantations, Republic Democratic of Congo sugar cane farm, etc, totally reaching 87 projects covering 43,400 hectares. These farm assistances were managed by Chinese experts and financial assistance. However, this kind of aid was considered not sustainable and confronted difficulties when these farms were transferred to the recipient governments (COHD and CIAD, 2010).

From the mid-1980s onwards, more of these bilateral agricultural projects become joint ventures looking for profit under the “going out” strategies. Chinese government encouraged and allowed some enterprises especially state-owned enterprises to join in foreign aid work. China's State Farm Group and provincial State Farm Groups began restructuring farms in Africa. Thus farm model changed from pure State owned to government supported enterprise. Within this new paradigm, Sino-Zambia Friendship Farm, Xiyangyang Farm and Sunshine Farm China State Farm Group Jiangsu Cultivation Co. have been established in Zambia. These farms are managed by Chinese personnel who hire local farmers as workers to produce agricultural products for the local market (COHD and CIAD, 2010).

The third period started in 2000, with the creation of Sino-African Cooperation Forum. China is applying actively the South-South cooperation mechanism and other multilateral mechanisms to extend agricultural assistance to Africa. By the end of 2005, 145 agriculture aid projects have been established in the form of constructing farms, testing stations, technology demonstration centres, sending agricultural experts. Until the end of 2008, Chinese companies had invested in Africa for the establishment of 72 agriculture enterprises, with a direct investment of 134 million US dollars coming from the Chinese side.⁹

Box 4 : Agricultural Technology Expert Dispatching

China sent agricultural experts to Africa as early as 1960s. They were mainly appointed according to Africa's invitation and request, such as Mali and Uganda. These experts dispatching is considered as an important way of assisting African agricultural development and is applied in bilateral and multilateral mechanisms. Since its participation in South-South cooperation in 2006, China had sent a total of 15 batches of technical personnel (496 people in place), distributed in 36 states until 2007. In the bilateral cooperation mechanism, since China-Africa Cooperation Forum in 2006, China has dispatched nearly 100 agricultural experts to more than 30 countries in Africa so far. They generally join in or assist African countries' agricultural sectors and relevant agencies. (COHD and CIAD, 2010)

⁹ Forum on China-Africa cooperation, China maintains investment cooperation intensity with Africa, 02/11/2009. <http://www.fmprc.gov.cn/zflt/eng/zfgx/jmhz/t624041.htm>

In China's African Policy related to agricultural cooperation, the focus will be on cooperation in land development, agricultural plantation, breeding technologies, food security, agricultural machinery and the processing of agricultural and side-line products. It would carry out experimental and demonstrative agricultural technology projects in Africa. Besides, concerning the resources cooperation, China encourages and supports competent Chinese enterprises to cooperate with African nations in various ways on the basis of the principle of mutual benefit and common development, to develop and exploit rationally their resources¹⁰.

Box 5 : Experiment station and agricultural technology demonstration centre

Since 1950s, China helped to establish some technology experimental extension stations as a major part of China's assistance to develop agriculture in Africa by transferring agricultural technologies. For instance, 13 rice technology promotion stations were set in Sierra Leone in 1971. However, due to the weak sustainability of these previous experiment stations, the new constructions induce China's agricultural enterprises to take part. They would be initiated by virtue of government aid, and managed by aid companies once the aid money ceases. After the China-Africa Forum Summit in 2006, the Chinese government planned 20 projects in Africa, of which 14 are already under construction. Hosting countries are: Egypt, Sudan, Ethiopia, Uganda, Rwanda, Tanzania, Zambia, Mozambique, Zimbabwe, South Africa, Togo, Benin, Cameroon and Democratic Republic of the Congo (Deborah Bräutigam, 2010).

China also created new tools to realise the goal of mixing bilateral development aid with other forms of economic engagement. China's Export Import Bank uses concessional loan and preferential buyer's credits in order to finance Chinese companies investing overseas. Agro-industrial crops, animal husbandry and aquaculture, as well as agricultural machinery are classified as the preferred projects by Chinese government. In 2007, the China-Africa Development Fund was established aiming to support Chinese investments in Africa. In 2009, this fund started its largest agricultural project in Malawi in cooperation with two Chinese companies. This project aimed to invest 25 million dollars in cotton plantation, process and export to China. It is reported that almost 50 000 smallholders had been benefited from this project¹¹.

III CHINESE INVESTMENT IN AGRICULTURE: THE CASE OF INVESTMENT IN LAND

Since the food crisis of 2007, a lot of attention has been given to "land grabbing" in Africa and China has been labelled as a land grabber pursuing a food security strategy.

Although the actual facts have yet to be investigated, information gathered from international organizations and NGOs offer a picture of what is going on. GRAIN, a Spanish-based NGO, has monitored media articles that reported around 180 land deals at varying stages of negotiation. International Food Policy Research Institute (IFPRI)¹² documented reports on 57 land deals. IIED, FAO and IFAD¹³ compiled a large database on this issue. The International

¹⁰ China's African Policy, January 2006, <http://www.fmprc.gov.cn/zflt/eng/zfgx/dfzc/>

¹¹ Embassy of China in Malawi, 31/10/ 2009, <http://mw.chineseembassy.org/chn/sghdhzxxx/t623899.htm>

¹² Joachim von Vraun and Ruth Meinzen-Dick, « Land Grabbing by Foreign Investors in Developing Countries: Risks and Opportunities », IFPRI Policy Brief 13, April 2009.

¹³ Lorenzo Cotula and Sonja Vermeulen etc, Land grab or development opportunity? Agricultural investment and international land deals in Africa, 2009.

Institute for Sustainable Development has analyzed the water component of foreign land purchases (COTULA and VERMEULEN, 2009; MANN and SMALLER, 2010).

Land acquisition, new phenomenon or old topic?

Land acquisition is hardly a new phenomenon as it happened during colonial times. After independence, African as well as Latin American governments have sometimes agreed to the appropriation of land by trans-national corporations (rubber, oil palm, banana, pineapple) without putting place any regulatory mechanisms, and this created hardships for local communities that previously used these areas¹⁴. The land acquisitions which appeared in the 2000s differ from the previous as they often target food security and scale.

Among the countries looking for land there are capital rich food-importing countries with limited land and water resources (Gulf States, Libya) ; large countries where food security may become an issue (China, South Korea, Japan, and India) ; OECD countries and Brazil looking for large tracts of land in order to produce agro-fuels. Moreover, countries such as China, India and Egypt are both investors and hosts of investments.

Between 2006 and the middle of 2009, the IFPRI found that foreign investors sought or secured between 15 million and 20 million ha of farmland in the developing world (Cotula et al, 2009). In the case of five African countries (Ethiopia, Ghana, Madagascar, Mali and Sudan) there has been a total of about 2.5 million ha approved land acquisitions since 2004, a total that excludes acquisitions of surfaces below 1000 ha¹⁵. This phenomenon is anticipated to grow in the future.

Irrigated lands as well as water appear to be a significant driver for these investments. Investors are targeting Sudan and Mozambique and even countries faced with critical water shortage such as Mali.

Analysis of Chinese engagement in African Agriculture

According to Chinese government officials, by and large, Chinese investment in African agriculture is geared at addressing food shortage in Africa as well as raising African capacity for self-development in agriculture. Chinese investment in African agriculture can be dated back to 1990s. The government does not directly interfere in the investment decision of the state owned enterprises but offers support and incentives in the form of finance and diplomatic support. China encourages Chinese companies to invest in the farming sector in Africa through a variety of forms, including joint ventures, joint stock companies or solely-owned companies¹⁶. Chinese investment in agriculture can be divided to three categories:

- State owned enterprises play a major role and often get central government support. The most significant is China State Farms Agribusiness Corporation (CSFAC, originally Nongken Farm Corp.) considered as a successful model. Since 1990, it established 11 agricultural and husbandry production and processing projects in Zambia, Guinea, Tanzania, Gabon, Ghana, Mali, Togo, Mauritania and other African countries occupying around 16 000 hectares. Another state owned enterprises is China's ZTE Agribusiness Company Ltd plans to establish

¹⁴ French Development Cooperation, White paper Land Governance and Security of Tenure in Developing Countries, June 2009.

¹⁵ Lorenzo Cotula and Sonja Vermeulen etc, Land grab or development opportunity? Agricultural investment and international land deals in Africa, 2009

¹⁶ China Development Gateway, Africa: Top option for China's agricultural investment, <http://www.chinagate.cn/english/2925.htm>

a 100,000 hectares oil palm plantation in the Democratic Republic of Congo (DR Congo) for bio fuel production. (D. Bräutigam, 2008)

Table 5 : CSFAC's agricultural investment in Africa

Year	Farm	Country	Dimension	Type of land use	Market
1990	Friendly farm	Zambia	620 hectares	Wheat, maize, soybean, milk and pigs etc.	local
1994	Zhong Ken farm	Zambia	3600 hectares	Poultry, beef, pigs, milk.	local
1999	Zhong Ken Friendly Farm	Zambia	2600 hectares, of which 1500 hectares are arable land	Wheat, vegetable, cow, milk, poultry and fishery	export to DRC
1999	Sino-Tanzania Corp.	Tanzania	5900 ha	Sisal	world
1998	Koba farm	Guinea	1,800 ha	Rice	local
1998	China agriculture, husbandry and fishery Corp.	Ghana	Cocoa manufactory	Process of cocoa	world
1997	Koba Farm	Guinee	1,800 hectares	Rice, paddy, chickens, and a rice packaging factory.	local
	Located at Mishanto flooding district	Togo		agricultural technical services	local
	Tpioca food factory	Gabon		rice and processing of Cassava	local

Source : translated from Report of the vice manager of Zhongken group, Han Xiangshan.

- Provincial actors such as Shanxi Province Agribusiness Group which acquired a 90 years' lease of 5000 hectares land in Cameroon and has invested 62.5 million dollars for rice, manioc and ostrich raising. Hubei Agribusiness Group rented 1000 hectares land in Mozambique cooperating with China Cereal, Oil Corporation for rice, cotton, soybean and vegetables¹⁷. While CSFAC activities and its provincial arms are often closely associated and are often regarded as aid rather than commercial investment, other regional companies are more actively seeking after business opportunities. Chongqing Seed which has a 300 hectares rice plantation in Tanzania is a perfect example.

- Finally at the grassroots level there are a large number of individual initiatives. Information of these activities is difficult to gather however their impact should not be ignored.

Thus, the nature of China's investment activities in Africa is multi faced. Some are managed by central government with technical assistance's transfer. A significant number is carried out by provincial level enterprises but with the support of the China Africa Development Fund or with incentive from host countries as it the case of Zimbabwe and Zambia.

¹⁷ Heseed net, Liangzhong wang, Zhongguo qiye touzi "haiwai nongchang"xianxiang yinren zhumu, 2008, <http://www.hiseed.com/viewnews-2249.html>

Table 6 : Chinese investment in Agriculture in African

Year	Farm or investors	Country	Dimension(ha)	Type of land use	Market
2006	Sino Cam Iko company	Cameroon	10,000	rice ,vegetables and manioc	local
2007	Shanxi Province Agribusiness Group	Cameroon	5,000	rice, manioc and ostrich	local
1997	Koba farm	Guinea	1,800	hybrid rice	local
1967	M'pourie	Mauritania	1,400	rice	local
1961	Farako	Mali	400	tea	local
1996	Sukala refinery	Mali	6,000	sugar	local
2008	Sukala refinery	Mali	10,000	sugar	local
2005	Hubei Agribusiness Group	Mozambique	1,000	rice, cotton, soybean and vegetables	local
2008		Senegal	35,000	sesame	China
1977	Magbass Sugar	Sierra Leone	1,280	sugar	local
1969	Mubarali Rice farm	Tanzania	6,000	rice, also pigs, cows and poultry	local
1970	Ruvu Rice Farm	Tanzania	800	rice	local
	Morogoro	Tanzania	6,900	sisal	world
2009	Chongqing Seed	Tanzania	300	rice	local
	Complex Sucier D'Anie	Togo	1,200	sugar cane	local
1973	Tilda (original Kibimba)	Uganda	700	rice	local
1987	Doha Rice	Uganda	800	rice	local
2009	ZTE	DRC	100,000	oil palm	World
2010	ZTE	Sudan	10,000	Wheat, maize	Na

Issues raised

Chinese investment in African agriculture brings capital and technology. According to a report¹⁸, the introduction of water-saving technologies and soil-related techniques such as tillage and planting methods are particularly beneficial. However it could be argued that these examples refer to farms established in an earlier phase of China's engagement.

New investment raised new concern. Thus, among the 34 large scale projects recorded by IFPRI in Africa from 2006 to 2009, Chinese investors are involved in only 4 which are questionable. One of them is in Mozambique where the initial intention may have been to settle a large number of Chinese to manage mega-farms and cattle ranches. According to Loro Horta¹⁹ and Stephen Marks²⁰, a memorandum of understanding (MoU) was reportedly signed in June 2007, under which an initial 3,000 Chinese settlers were to move to Zambezia and Tete Provinces to develop farms along the valley, considered as one of the more fertile areas. Reports of this deal caused an uproar and the Mozambique government was forced to dismiss the whole story as false. It is reported that the government plans a joint venture with Mozambican participation. The second project is being discussed in Zambia : this 2 million hectares farm for bio fuel raises many critics. The third one is oil palm plantation in DRC. Media reported a 2.8 million ha deal while the actual area is 100,000 hectares (Bräutigam,

¹⁸ CCS, The Relevance of Chinese Agricultural Technologies for African Smallholder Farmers: Agricultural Technology Research in China, 2009.

¹⁹ Loro Horta, China Brief, Food Security in Africa: China's new rice bowl,2009.

²⁰ Stephen Marks is a research associate with Fahamu's China in Africa program. He published " China and the great global landgrab"

2009). The fourth also in negotiation is a 10,000 hectares rice farm in Cameroon which is confronted to local opposition.

These setbacks may be a sign for China, as Loro Horta concludes, China would be better advised to listen to and negotiate with the people actually living there. If fine-tuned, China's agricultural plan could bring tremendous benefits for both sides.

Nevertheless while it is acknowledged that Chinese large-scale investments in agriculture aimed at food security and commercial interests are under way in the Philippines, Brazil, Laos and Burma²¹, no one can be sure that this would not happen in Africa.

Stephen Marks believes that it should be in the interests of Africa's farmers as well as campaigners concerned with issues of food sovereignty and sustainability, to make common cause with China's more far-sighted policymakers. The aim must be to ensure that China's agricultural involvement in Africa takes place within a policy framework that maximises a long-term 'win-win' approach including technology transfer, infrastructure investment, and increased food security and sustainability for both parties.

This survey of large-scale land appropriation in Africa show that these interventions are not new and seem to be intensifying in the recent years. It is difficult to appreciate their size and their agricultural practice (labour intensive or not, ecologically intensive or not, etc). Available information show that Chinese investments are aimed to local or regional market and not to the Chinese market. The exception could be investments in biofuels which may be export oriented and target the European market.

CONCLUSION:

China's investment in African agriculture analyses show that Chinese farms in Africa can be dated back to 1960s. OECD' aid to agriculture which had been significant in the eighties, diminished in the nineties. In the late 2000s, traditional donors as well as foundations have taken new initiatives for agriculture.

In the case of China, private enterprises and individuals have increased their involvements in African agriculture. Chinese investments in African land appear relatively less alarming as compared to other foreign acquisitions and, by and large, Chinese investments are targeted to local food consumption. For many stakeholders and observers, China's involvements might bring opportunities to African states and local farmers. Nevertheless one should pay attention to possible challenges and problems because it is perhaps on agricultural where China may have a significant impact on the continent's future. Whether China's involvement in Africa will really help the continent in alleviating its chronic food shortages and poverty, or will it become another of the many empty promises made to Africa remains to be seen.

²¹ According to Brian McCartan (2008) China Farms Abroad, China is involved in an eight-year, 1 million-hectare in Indonesia and in Papua New Guinea through China National Offshore Oil Corp and other companies to plant oil palm, sugar and cassava; Direct Chinese investment in Laos was approved at US\$ 1.1 billion by August 2007. Rubber plantation is by far Laos's largest commercial agriculture business and it is reported that some 35,100 hectares were planted in rubber in Laos for China. China has become Burma's second largest trading partner and rice is currently the largest agricultural export to China from the Shan State of Burma.

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